



May 29, 2018

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Amendment of Section 73.3555(e) of the Commission's Rules, National
Television Multiple Ownership Rule, MB Docket 17-318**

Dear Ms. Dortch:

Newsmax Media ("Newsmax") writes to provide written *ex parte* comments in response to the filing made by Hearst Television, Inc.; Scripps Media, Inc.; Raycom Media, Inc.; Gray Television, Inc.; Graham Media, Inc.; Quincy Media, Inc.; Dispatch Broadcast Group and Morgan Murphy Media, Inc. (Collectively "Local Broadcasters") concerning the National Television Multiple Ownership rule ("National Ownership Cap").

Newsmax maintains its position that Congress clearly intended to prohibit a single broadcast television licensee from reaching more than 39 percent of the national audience. This cap is statutory, and it cannot be modified by the Commission. Further, the UHF Discount is not a loophole around this hard cap. The UHF Discount is simply a mechanism to ensure parity amongst the disparate broadcast television spectrum bands.¹

However, should the Commission proceed with raising the National Ownership Cap in above captioned proceeding, Newsmax accedes to the Local Broadcaster's proposal to set the National Ownership Cap at 50 percent while simultaneously eliminating the outdated UHF Discount provided that:

- 1) the Commission only "grandfathers" pre-existing ownership combinations in excess of the 50 percent cap if those combinations were in place before the issued its Order on Reconsideration of the Report and Order eliminating the UHF discount on April 21, 2017, and;
- 2) the Commission prohibits (or attributes) attempts by station groups to evade the National Ownership Cap through contractual services agreements with a television station to which the ownership group is not a licensee.²

¹ See Reply Comments of Newsmax Media, Inc., MB Docket No. 17-318, at 6 (filed March 19, 2018).

² Newsmax is unaware of any instance in which the Commission has allowed an ownership group to operate a station via service agreement for the purpose of evading the National Ownership Cap. Nonetheless, such a divestiture structure appears to have been proposed by Sinclair Broadcasting Group in its *Amendment to June Comprehensive Exhibit* (Filed February 2018) with respect to WGN-TV (Chicago) and WPIX-TV (New York). Since Sinclair Broadcasting Group does not own additional stations in New York or Chicago, the services

Newsmax notes that a 50 percent National Ownership Cap without a UHF discount is congruent to the 25 percent National Ownership Cap with a UHF discount that Ronald Reagan's FCC instituted in 1985. The Local Broadcasters' proposal has the added benefit of sunseting the functionally obsolete UHF discount without jeopardizing localism.

Newsmax has consistently advocated in this docket and others that a reasonable National Ownership Cap is essential to ensuring localism.³ Station groups reaching large swaths of the national television audience are assembled to maximize economies of scale, extract synergies and efficiencies by reducing newsroom staffs, and homogenizing content across multiple stations. This is in direct conflict with the public interest goal of encouraging news and information programming derived from the community of license, by members of the community of license.

While some broadcasters may not appreciate the public interest benefit of localism, it is the heart of the agreement they have entered into with American people - free spectrum, a statutory copyright license, must-carry and retransmission consent rights, and market exclusivity protections in exchange for a commitment to local content. If station groups find localism too constraining on their business plans, they can simply relinquish their spectrum rights and offer their content on any number of new and unregulated platforms or they can become national cable channels and seek carriage without the benefit of retransmission consent rights.

A commitment to localism is not only the public interest obligation broadcasters have agreed to in exchange for their license, it is popular policy. According to research by McLaughlin & Associates nearly two thirds of America would consider their local news less trustworthy if it was dictated by corporate executives in New York, Los Angeles or Washington D.C. and 69 percent of Americans oppose allowing one media company to control the local news in 72 percent of households in the country. These opinions hold regardless of party affiliation showcasing broad, bipartisan support for independent local news.

Newsmax encourages the FCC to respect the wishes of the majority of Americans and set a National Ownership Cap that is consistent with the public interest standard. The Reagan FCC got this policy right and this Commission should seek to sunset the UHF discount without jeopardizing localism.

Respectfully submitted,

/s/

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agreements referenced in this Amendment do not relate to the local ownership rules and can only be interpreted as a proposed mechanism to circumvent the National Ownership Cap.

³ See Reply Comments of Newsmax Media, Inc., MB Docket No. 17-318, at 6 (filed March 19, 2018) and Petition to Dismiss or Deny of Newsmax Media MB Docket No 17-179 at 1-2 (Filed August 8, 2017).

FOR IMMEDIATE RELEASE:

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Wide Majority Opposes a Monopoly on Local News

A national survey among 1,000 likely voters conducted by McLaughlin & Associates finds more than two-thirds (69%) oppose allowing one media company to control the local news in seventy-two percent of households in the country. Only 1 in 5 (19%) support it. The opposition is both wide and deep with the majority (54%) “strongly” opposing a local news monopoly. This is a non-partisan issue with a clear majority of Republicans (67%) and Democrats (62%) standing together against it. Four in five (80%) Independents oppose such a monopoly.

“The Federal Communications Commission is considering allowing one media company to control the local news in 72% of households in the country. If the company were NBC, ABC or CBS, would you favor or oppose this type of media and news concentration in the United States?”

	Total	Republican	Democrat	Independent	Without College Degree	College Graduate	Men	Women
Favor	19%	23%	25%	8%	19%	19%	18%	20%
Oppose	69%	67%	62%	80%	66%	73%	74%	65%
Don't Know	12%	11%	13%	12%	15%	9%	8%	16%

Virtually two-thirds (65%) would consider their local news less trustworthy if it was dictated by corporate executives in New York, Los Angeles or Washington D.C. Only 14% would find their local news more trustworthy. The lack of trust is evident among Republicans (64%), Democrats (59%) and Independents (72%).

“If the news you watched on your local news stations was dictated by corporate executives in New York, Los Angeles and Washington D.C., would you find it more trustworthy or less trustworthy?”

	Total	Republican	Democrat	Independent	Without College Degree	College Graduate	Men	Women
More Trustworthy	14%	17%	19%	7%	14%	15%	15%	13%
Less Trustworthy	65%	64%	59%	72%	63%	67%	69%	61%
No Difference	21%	19%	23%	21%	24%	18%	16%	26%

Methodology: This survey was conducted among 1,000 likely voters in the United States. All interviews were conducted online between May 16 and 21, 2018. Survey invitations were distributed randomly within predetermined geographic units. These units were structured to statistically correlate with actual voter distributions in a general election. The sample of 1,000 likely voters has an accuracy of +/- 3.1% at a 95% confidence interval. The numbers in this summary have been rounded and may not equal 100%.